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To: Stephen Macleod

Re: DOD status, Buffalo Division

Dear Stephen,

As requested please find listed below the Buffalo division's response to the DOD questions.

1. Number participating - 4 of 6
2. Number that have not agreed to participate - All have agreed to participate, although 2 of 6 are very small and their retail customers are low volume and do not have sales or retail rep coverage.
3. What are they stickering ? - All of the participating Direct Accounts sticker whatever value is requested. There is no backup stock maintained.
4. Reasons why Direct Accounts have refused to participate ? - All will participate, low volume accounts with no sales coverage provide little opportunity
5. Overall assessment of program - The sales reps stated that the program is working very well with all wholesalers servicing the Buffalo division. Pre-stickering orders are received as requested and there are no obvious problems with the program
6. Major Issues ? - There are no major issues with the direct accounts called on by reps in the Buffalo division, relating mostly to the small size of the wholesalers. Regarding larger direct accounts that service retailers within the Buffalo division, again there are no major issues concerning DOD
7. Partners Program changes - All direct accounts called on by the Buffalo division do not participate in the Partners program, although tying a partners payment to the DOD program is a great idea. A direct account can earn dollars in the short term by doing the labor of stickering our promotions ( VAP payments ) and also earn dollars in the long term with the partners program.

I would make this program effective with the next partners program. For non participating DOD accounts that do participate in the partners program the effect of losing two opportunities for revenue ( VAP & Partners money ) with one program ( DOD ) might be enough to convince them to get on board with DOD.

Sincerely,  
Ray Noonan

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